GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2430
ANSWERED ON:17.03.2008
DEFENCE EXPO IN NEW DELHI
Sikdar Smt. Joytirmoyee

Will the Minister of DEFENCE be pleased to state:

(a) the outcome of the Defence Expo recently held in New Delhi including the number of defence deals finalised therein;

(b) whether his Ministry proposes to issue a white paper or introduce a Defence deals policy in view of the increasing role of middleman; and

(c) the total amount involved in defence deals during the last three years?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE PRODUCTION (RAO INDERJIT SINGH)

(a) 475 Exhibitors from 31 countries including 273 international companies participated in theDefexpo India 2008. Approximately 40,000 business visitors visited the exhibition.3,490 businessinquiries were generated during the exhibition and 21 MoUs were signed. These are likely tofurther boost the export of defence items from India.

However, no purchase agreements were signed by the government during Defexpo India-2008.

(b) Defence Procurement Procedure (DPP) 2006 and Defence Procurement Manual (DPM 2006) underimplementation with effect from 1st September 2006, provide for direct dealing with OriginalEquipment Manufacturers (OEMs) or Authorised Vendors or Government sponsored Export Agencies(applicable in case of countries where domestic laws do not permit direct export by OEMs).Further, the procedures inter-alia incorporate provisions for penalties being imposed if anyseller engages any individual or firm, whether Indian or foreign whatsoever, to intercede,facilitate or in any way recommend to the Government of India or any of its functionaries,whether officially or unofficially, to the award of the Contract to the Seller.

(c) Actual Expenditure under Capital Acquisition Head for the last 3 years is as follows:
2004-2005 : Rs.27208.57 Crores
2005-2006 : Rs.25490.53 Crores
2006-2007 :Rs.26900.44 Crores.

Actual Expenditure under Revenue Head (Stores) for the Last 3 years is as follows:
2004-2005 : Rs.16032.49 Crores
2005-2006 : Rs.17475.31 Crores
2006-2007 : Rs.18902.36 Crores.